

To: FCC

From: Jon Schiavo

Re: XM/Sirius Merger

Date: June 12, 2007

I am an XM and Sirius subscriber and an XM and Sirius shareholder and have been for about five years. So you are hearing from someone who really loves satellite radio.

I am very much in favor of the merger as a subscriber and as a shareholder. As I understand it, the FCC is probably interested in my opinions on the merger as a subscriber; however, I feel that the main reason why I am in favor of the merger affects me as a subscriber and a shareholder. And that reason is as follows.

In my opinion, having only two satellite radio companies has not created the type of competition that has benefited consumers. The only ones that have really benefited from the fact that there are only two satellite radio companies are the content providers. As I understand it, XM and Sirius pay money to the record companies for the right to play songs. MLB, NFL, Howard Stern have all gotten big contracts because XM and Sirius need to compete with each other over subscribers and apparently feel that exclusive content is the way to do it. So the content providers (music, sports, talk radio...), who already have a lot of money to begin with, got more money. As usual, the rich get richer.

Meanwhile, my subscription fee to XM went up 30 percent because XM and Sirius paid so much for their content XM had to raise my fees (and they still don't make money).

If you allow the merger, which I really hope you do, I feel that my subscription fee will go down. I only really care about listening to music on the radio (I know everyone is different, but that is my preference). I feel that if you allow the merger, my subscription fee will go down for two reasons. XM and Sirius will stop having to pay so much for content and, I will likely get the choice to only subscribe to the music service.

Finally, I want to address the concern that allowing the merger would create a monopoly. I was an economics major in college. That was a long time ago and I am not professing to be an economist. But I do believe I understand one aspect of economics that is relevant here. As I remember it, a monopoly

is when there is only one company and that hurts the consumer. However, I also remember that an oligopoly is when there are only a few companies and can have many of the same negative effects on consumers that a monopoly could have.

My point is that if XM and Sirius only compete with each other, they would be an Oligopoly and would theoretically be reaping the economic benefits of an Oligopoly (Like OPEC for instance). However, it doesn't seem as though that is the case. Therefore, if XM and Sirius are not an Oligopoly now, they would not be a Monopoly after the merger.

I feel that there is plenty of other competition for XM and Sirius and allowing the merger will not create a monopoly. If XM and Sirius tried to raise prices too much, I am sure I will find another way to listen to music that I will be very happy with.

Thank you for hearing what I have to say.

Jon